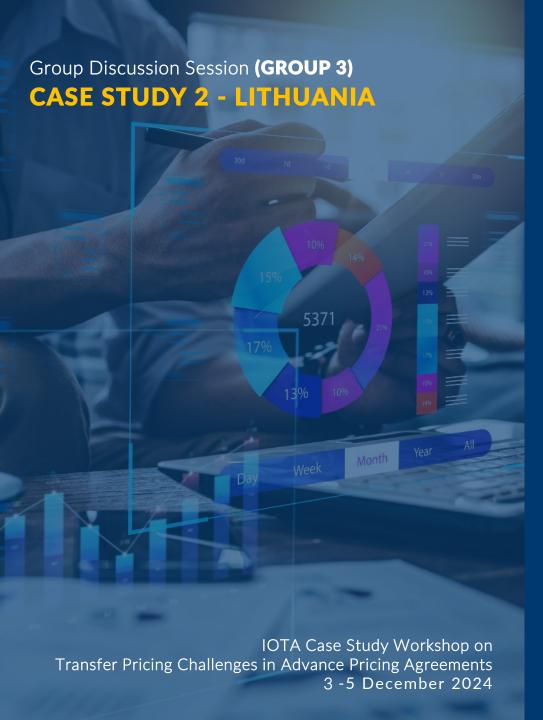




- 1. Are the specified circumstances sufficient to apply the profit split method? If not, what other evidence is missing?
- No.
- Not enough information
- We are not sure, where is the key personal located, if service is really provided from Lithuania or is it just for regulatory reasons established there.
- Who is actually adding value in such kind of business?



- 1. Are the specified circumstances sufficient to apply the profit split method? If not, what other evidence is missing?
 - · Definitely no.
 - We could not identify any unique intangibles or contributions.
 - The conditions for applying the profit split method are not fulfilled.
 - On the basis of the delineation of the transaction the UAB "A" resembles more to an agent company.



- 1. Are the specified circumstances sufficient to apply the profit split method? If not, what other evidence is missing?
- Basically no for the Lithuanian company
- Maybe the contribution of the Licence does not mean profit split
- In this case we do not see the unique and valuable contributions from the Lithuanian company, although the Licence could be consider as valuable asset because it is easier to obtain it
- The questionable profile of Company A



- 1. Are the specified circumstances sufficient to apply the profit split method? If not, what other evidence is missing?
- No
- Valuable and unique contribution(need more analysis of functions)



- 2. What other transfer pricing method could be applied to these transactions?
- Profit split can be used, if every part of transaction provides unique business, some of us think that client management by company A is not unique.
- TNMM can be used, if the Lithuanian company provides routine service, including regulatory licence, which is not unique
- If licence is crucial for such kind of business, TNMM cannot be used.
- But we are not sure, if it is true, thus, we need more information about facts



- 2. What other transfer pricing method could be applied to these transactions?
- CUP method look for internal, extarnal comparable to benchark the activity of UAB "A", for example administrative fees - Database search, Bloomberg, Reuters, LoanConnector
- If no comparables can be identified, alternative method:
 TNMM applied to test the agency activities of UAB "A"
- PLI: % of sales transactions
- Residual profit split method: on the basis of process contribution analysis



2. What other transfer pricing method could be applied to these transactions?

- Some other kind of remuneration according the functions and risks of A co?
- High cost plus?
- Valuable intangible to get the licence
 - To receive small royalty payment, commission fee...?
 - Every small percentage on each transaction



2. What other transfer pricing method could be applied to these transactions?

Cost Plus method



- 3. Would your tax administration accept to examine such a request and what could be your decision (approve, disapprove the request, approve with reservations / additional critical assumptions or other options)?
- All of us would ask for more data
- Some of us would deny the request, nothing is certain
- Some of us cannot refuse to accept
- Some of us can refuse, just because of the tax heaven being present
- Others ask, how can we believe them, if there is no cooperation with the other country? Do we have?



- 3. Would your tax administration accept to examine such a request and what could be your decision (approve, disapprove the request, approve with reservations / additional critical assumptions or other options)?
- We would request additional information on the transaction, financial information, key people functions, etc. and further examine the APA-request
- In some countries the APA-request would most likely to be disapproved



- 3. Would your tax administration accept to examine such a request and what could be your decision (approve, disapprove the request, approve with reservations / additional critical assumptions or other options)?
 - The lack of information, the ability to verify the given information need to have clear understanding
- It is questionable according to different kind of legislation.
 APAs rules
- The fact that bank account is in other country?
- IFRS rules are not applied in Tax Heaven Countries?
- Anti-money laundering checks + policy?



- 3. Would your tax administration accept to examine such a request and what could be your decision (approve, disapprove the request, approve with reservations / additional critical assumptions or other options)?
- Not acceptable
- Approve/Disapprove the request